

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1399-01  
Bill No.: HB 497  
Subject: Children and Minors; Family Services Division; Medicaid; Social Services  
Department  
Type: Original  
Date: March 7, 2003

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
General	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Unknown greater than \$100,000)</b>	<b>(Unknown greater than \$100,000)</b>	<b>(Unknown greater than \$100,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Federal*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Income and costs of approximately \$800,000 would net to \$0.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Health and Senior Services**, the **Department of Mental Health**, the **Department of Elementary and Secondary Education**, and the **Coordinating Board of Higher Education** assume this proposal would not fiscally impact their agencies.

Officials from the **Department of Social Services - Division of Medical Services (DMS)** state that the total cost for foster children ages nineteen to twenty-one for FY 04 could be as much as \$1,287,724 if every child in foster care would qualify for this proposal. The DMS determined this cost by taking the number of eligibles times the annual cost. The DMS used an inflation forecast of 4.5% for FY 05 and FY 06.

DMS states federal legislation, the Omnibus Reconciliation Act of 1989 provides medical coverage for individuals up to the age of twenty-one through the EPSDT program. Therefore, medical assistance provided to children from age twenty-one until age twenty-three would not be eligible for federal financial participation and would be entirely funded with General Revenue.

The DMS state the cost per foster care child in FY 2002 was \$4,650. If there were only 22

children affected by this proposal, the cost would be \$102,300. Therefore, the fiscal impact to the DMS for the children twenty-one to twenty-three would be unknown, greater than \$100,000.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
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## GENERAL REVENUE

### Costs - Department of Social Services - Division of Medical Services

Program costs -Children ages 19 up to the age of 21	(\$0 to \$486,899)	(\$0 to \$508,809)	(\$0 to \$531,706)
Program costs - Children ages 21 through 23	<u>(Unknown greater than \$100,000)</u>	<u>(Unknown greater than \$100,000)</u>	<u>(Unknown greater than \$100,000)</u>

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<u><b>(Unknown greater than \$100,000)</b></u>	<u><b>(Unknown greater than \$100,000)</b></u>	<u><b>(Unknown greater than \$100,000)</b></u>
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## FEDERAL

### Income - Department of Social Services - Division of Medical Services

Federal Assistance - Children ages 19 up to the age of 21	\$0 to \$800,825	\$0 to \$836,862	\$0 to \$874,521
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### Costs - Department of Social Services - Division of Medical Services

Program costs - Children ages 19 up to the age of 21	<u>(\$0 to \$800,825)</u>	<u>(\$0 to \$836,862)</u>	<u>(\$0 to \$874,521)</u>
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<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

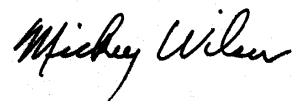
DESCRIPTION

This proposal allows medical assistance to be provided to foster children beyond their eighteenth birthday under certain circumstances. A foster child who reaches the age of 18 and is enrolled in and attending high school may continue to receive medical assistance until the child completes high school or reaches the age of 21, whichever comes first. A foster child who is enrolled in a vocational or higher education institution by October 1 following graduation from high school or the completion of an equivalency degree may continue to receive medical assistance until the child completes his or her education or reaches the age of 23, whichever comes first. The child must enroll in at least 12 hours of credit per semester and maintain grades sufficient to re-enroll at the institution.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Health and Senior Services  
Department of Mental Health  
Department of Social Services  
Department of Elementary and Secondary Education  
Coordinating Board of Higher Education



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MARCH 7, 2003